

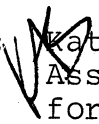
CITY OF CAMBRIDGE
COMMUNITY DEVELOPMENT DEPARTMENT
City Hall Annex - Inman & Broadway - Cambridge, Mass. 02139

498-9034

October 10, 1984

MEMORANDUM

TO: Robert W. Healy
City Manager

FROM:  Kathy A. Spiegelman
Assistant City Manager
for Community Development

RE: Central Square CARD
Proposed Amendment

Pursuant both to my memorandum of September 14 and to the public hearing set by City Council for October 15 on the above referenced subject, I am herewith providing additional information and background on the Central Square CARD.

History

Establishment of the Central Square CARD was initiated in early 1979 when our department was directed by City Council to consider designating the entire Massachusetts Avenue corridor as a CARD district. Following discussion and study on the issue, we published a report on the revitalization of Central Square, recommending that a CARD designation be applied for within certain boundaries. The report and recommendations were reviewed by Council and eventually approved for submission to the Massachusetts Executive Office of Communities and Development (EOCD). On May 2, 1980, the Central Square CARD was approved by EOCD thereby authorizing the use of IRB financing for certain commercial projects located within the CARD boundaries.

Objectives

As stated in the Central Square CARD plan, a copy of which is attached, its primary objectives are as follows:

- To encourage appropriate office development in the early stages of revitalization efforts, to be followed by the location of stronger retail uses

- To prevent and reverse decay in the area by encouraging rehabilitation of structures to strengthen the transition between neighborhoods and commercial districts
- To reinforce the existing commercial districts while protecting adjacent neighborhoods from encroachment of commercial uses

Plan Strategy

Briefly stated, the Central Square CARD seeks to accomplish the aforementioned objectives through the implementation of a program which utilizes both public and private resources. This strategy involves providing public improvements as an encouragement to new private investment. This private investment is intended to take the form of rehabilitation and restoration of key older structures along with the construction of carefully sited new office and retail buildings. Due to the deteriorated physical condition and poor image of the Central Square area, it was deemed necessary to designate it a CARD area which would make new investment more financially feasible.

IRB Projects

Since the establishment of the Central Square CARD plan in 1980, there have been two projects which have taken advantage of the financial incentives. The first involved the complete rehabilitation of the ADD, Inc. building at 78 Prospect Street. This project which used a \$575,000. IRB created and/or retained over 45 jobs. The second project is the 871 Massachusetts Avenue building which will utilize a \$3 million IRB to construct a new office facility involving the creation and/or retention of over 90 jobs.

Rationale for Boundaries

The boundaries for the Central Square CARD encompass those commercial areas bordering Massachusetts Avenue from Lafayette Square on the east to Sullivan Square on the west. The CARD area, with two minor exceptions, only includes those parcels which are zoned for commercial, office or industrial uses. The boundaries were drawn to both include those commercial areas along Mass. Avenue which are in need of revitalization and to exclude as much as possible predominantly residential blocks. Since the CARD is centered on Central Square, it was named as such, however was not meant to exclude abutting areas in need of revitalization even though some may consider them not to be part of the Square.

Recommendations

We have reviewed the CARD plan as it relates to our current objectives for revitalization of Central Square to determine if any component of the plan, including boundaries, warrants a change. As such, we have the following recommendations:

- Although there has been some progress in the revitalization of Central Square, we feel that the original objectives, as established in 1980, are still valid and require continued CARD eligibility to be achieved.
- With regards to the boundary change requested by Area Four residents involving a slight reduction of the area around School Street, we would support such a change to further protect against commercial encroachment.
- The remaining boundaries however are, in our opinion, still appropriate given the existing zoning and commercial character of the area. The fact remains that Massachusetts Avenue serves as the City's main commercial artery and future revitalization efforts should be directed towards retaining that purpose. Such a policy will discourage random commercial development which could gradually creep into surrounding residential neighborhoods.

Procedure

The above recommendations notwithstanding, if the City Council wishes to amend the CARD, an appropriate resolution needs to be approved and submitted to EOCD requesting the change. The required resolution format is enclosed which will need to have the specific changes included. Upon receiving the resolution, EOCD will determine if the amended CARD continues to meet their guidelines and will make a final decision either approving or disapproving the changes.

Attached, for information purposes, is a copy of the Central Square CARD boundary as it currently exists with Area Four requested changes noted.

KAS/jk

Attachments

SAMPLE RESOLUTION

WHEREAS, in accordance with Chapters 40D and 23B, Massachusetts General Laws, The Commonwealth of Massachusetts acting by and through the Secretary of Communities and Development may approve Commercial Area Revitalization Districts Plans (herein referred to as CARD Plans); and

WHEREAS, such approval is a precondition for the use of various state financial incentives for commercial development that would be in the public interest of the citizens of the City of Cambridge; and

WHEREAS, on March 31, 1980, the Central Square CARD Plan which is bounded as described in the attached plan dated February, 1980, was approved by the City of Cambridge and subsequently approved by the Secretary of Communities and Development on May 2, 1980; and

WHEREAS, certain Cambridge residents have petitioned for a change in the above described boundaries of said CARD Plan to prevent commercial encroachment into their neighborhoods and the City of Cambridge is desirous of making such changes.

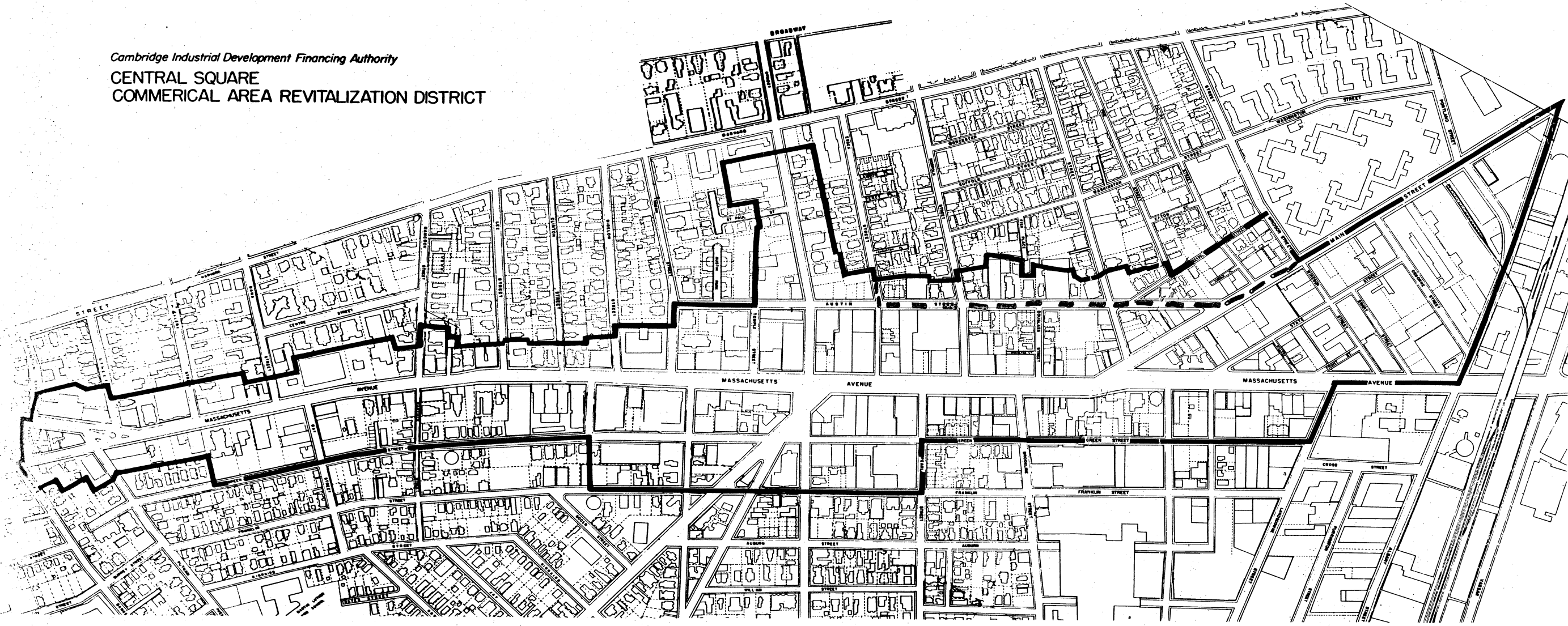
NOW THEREFORE BE IT RESOLVED BY THE CITY OF CAMBRIDGE

1. That the Central Square CARD Plan be amended to include those boundary changes as described below:

2. That the above described amendment be submitted to the Secretary of Communities and Development for approval.

Cambridge Industrial Development Financing Authority

CENTRAL SQUARE
COMMERCIAL AREA REVITALIZATION DISTRICT



— EXISTING CARD BOUNDARY
-- NEW CARD BOUNDARY AS PROPOSED BY AREA 4

CENTRAL SQUARE

Commercial Area Revitalization District



Cambridge, Massachusetts · Community Development Department · February 1980

CENTRAL SQUARE

Commercial Area Revitalization District

Central Square
Commercial Area Revitalization District

City of Cambridge, Massachusetts
James L. Sullivan, City Manager

Cambridge City Council

Francis H. Duehay Mayor
Leonard Russell Vice-Mayor
Kevin P. Crane
Thomas W. Danehy
Saundra Graham
David Sullivan
Walter J. Sullivan
Alfred E. Vellucci
David A. Wylie

Submitted to
The Commonwealth of Massachusetts
Edward J. King, Governor

Executive Office of Communities and
Development
Byron J. Matthews, Secretary

February 1980

Central Square CARD Administration

Community Development Department

David R. Vickery, Assistant City Manager
for Community Development

Acknowledgements

The Central Square Association has long initiated and supported revitalization efforts. The Association, its President Carl Barron, and their consultant David Clem have helped lay the groundwork for this report.

Photography Credits

Cambridge Historical Commission
(pp. 7, 19)
Cambridge Historical Commission and
SPNEA (pg. 19)

The Central Square/Massachusetts Avenue

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Preface

This document has been prepared by the Community Development Department in response to an order of the City Council instructing the Department to investigate the feasibility of creating a Commercial Area Revitalization District (CARD) plan for all or parts of Massachusetts Avenue, including Central Square. The primary purpose of the Massachusetts CARD program is to allow commercial enterprises to utilize the State industrial revenue bond program. Costs of closing an industrial revenue bond, however, are often somewhat higher than for conventional loans. There is no minimum size limit on an Industrial Revenue Bond, but in general, projects seeking financing of less than \$200,000 may not find the interest savings of the tax exempt status to be sufficient to offset the higher closing costs.

In addition to tax-exempt financing, CARD designation brings other financial and tax advantages. Should private lending institutions require further assurance in order to finance a commercial rehabilitation project, the Massachusetts Industrial Finance Agency's mortgage insurance program could be linked to an industrial revenue bond issue. When commercial enterprises locate or expand in a CARD, the State's Urban Job Incentive Program could provide payroll and property tax credits against the Massachusetts State Excise Tax. These programs are specifically designed to encourage development in urban areas such as the Central Square CARD and both would become available upon final CARD approval.

The Central Square CARD plan represents a public commitment to the revitalization of this important commercial area. The City will complement the State revenue bonding program with additional revitalization activities, as described in this report. These include public space improvements in conjunction with the MBTA, facade improvements partially sponsored by the National Endowment for the Arts, and various redevelopment programs through the Federal Department of Housing and Urban Development. The Community Development Department welcomes suggestions for further improvements throughout the CARD area.

Card description

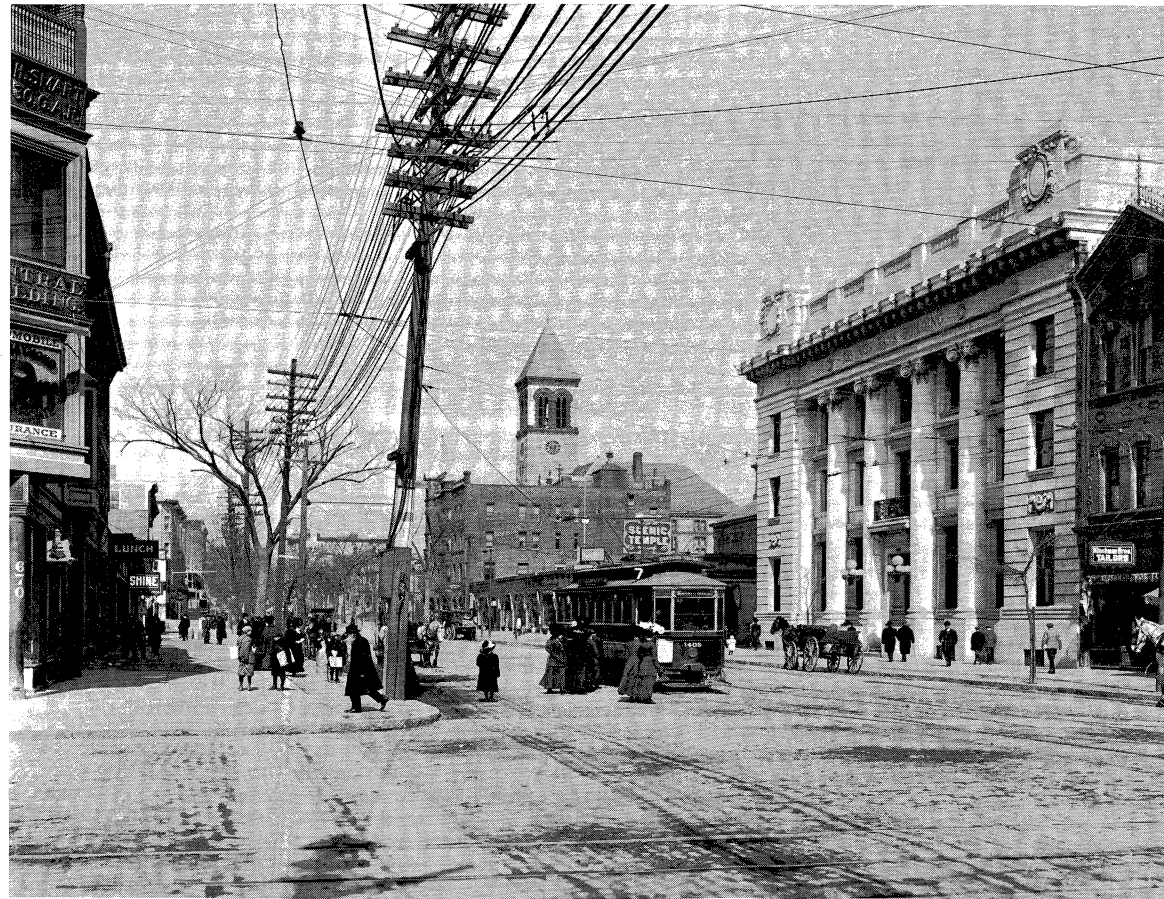
General physical conditions

The Central Square CARD area was almost completely urbanized by the early Twentieth Century. Although the area today appears generally run-down, many structures are appropriate for rehabilitation and several parcels are likely to be developed.

Many Central Square buildings are good examples of early Twentieth Century mercantile architecture, but need substantial rehabilitation. Typical problems encountered in these structures include inadequate insulation; code violations such as improper fire exits; and facade neglect requiring cleaning and painting of masonry, removal of flimsy surface materials, and replacement of obtrusive signs.

Some of the oldest and newest buildings offset this blighted image. Cambridge City Hall, an attractive building constructed in 1888, has been undergoing renovation over the past few years. The Odd Fellows Hall, built in 1881, has been partially renovated. The tallest building in Central Square, the 14-story Central Plaza Building, was constructed in 1967 and remains as a successful example of modern office development.

On the other hand, a number of buildings offer little promise of improvement. Demo-



Central Square looking east from Prospect Street and Massachusetts Avenue, circa 1904-1912.

lition of these structures and replacement by healthy new development is essential to the Central Square revitalization effort.

Commercial marketing conditions

Over the past 15 years Central Square's commercial economy has both contracted in terms of retail activity and expanded in terms of office space development. Throughout this period retail activity not only has declined steadily, but also has changed in character.

However, the past 15 years were not years of absolute decline in commercial activity. Between 1967 and 1974 over 390,000 square feet of prime office space was constructed even as retail activity declined. While no new development has occurred since then, the fact that new development did happen in the recent past offers promise that investment in Central Square might again be made attractive, especially if the retail decline can be reversed.

Retail Establishments — The number of retail establishments in Central Square has declined by 42% since 1963. The harshness of this factor is offset somewhat by the present 6% vacancy rate among Central Square storefronts. The apparent discrepancy be-

tween these two statistics is explained in that some storefronts have been converted to less intensive uses and other storefronts have been combined to form larger sales areas for individual establishments. Nevertheless, the character of the retail mix has changed as shown by the closing of all of Central Square's full line department stores.

Retail Sales — As would be expected with a substantial loss of retail establishments, Central Square's retail sales have declined by 48% in constant dollars over the same 15 year period. Unfortunately, when the amount of retail sales generated per square foot of retail sales area is calculated for this period (a factor that would remain somewhat constant in a stable retail economy), Central Square's sales per sales area is shown to have experienced a 35% decline in constant dollars. Reflected in this decline is an absolute reduction in sales volume as well as a change in the character of retail goods offered — two economic indicators often associated with a decline in a commercial area's physical character.

Retail Sales and Establishment Decline Implications — As a result of the overall decline in retail activity, Central Square's retail market could now be characterized as more dependent on the surrounding residential and business communities than in the

past. Many of the 45,000 people who live within a one-half mile radius of Central Square are dependent upon its full line supermarket and other basic goods stores. Central Square's retail establishments also offer goods and services to the more than 36,000 people who work in the immediate area. However, if the underlying economic and physical problems of Central Square are not addressed, the future variety and quality of retail goods might be reduced further, thereby lessening available choices to a largely captive market.

Commercial Office Space — More than 900,000 square feet of commercial office space are now located within the Central Square CARD boundaries. As previously indicated, 390,000 square feet were developed between 1967 and 1974. The balance was constructed over a time period beginning in the late Nineteenth Century.

Largely because the vacancy rate in the relatively newer office buildings is approaching 0%, the possibility of developing additional prime space of up to 750,000 square feet has been actively discussed. Some of this potential demand could be met by rehabilitating a portion — perhaps as much as 25% — of the 510,000 square feet of older commercial office space. The balance of the demand would probably require new construction.

Nevertheless, even with several suitable sites available for new development and the possibility of rehabilitating some of the older office space, no new or rehabilitated office development has occurred since 1974.

Implications — Whatever the reasons for Central Square's retail decline and simultaneous but limited office space expansion, Central Square today is an area that has the potential for growth in both types of commercial activity. A CARD designation could provide the incentives necessary to make this become a reality.

Rationale for district boundaries

There is no clearly defined central business district in Cambridge. However, most of the City's business uses are found along Massachusetts Avenue, which is Cambridge's "Main Street." Massachusetts Avenue is composed of three concentrations of activity, at Central, Harvard, and Porter Squares, and linking street segments lined by a mixture of business and residential uses. Central Square stands out as the business center most in need of revitalization and with the most potential for growth.

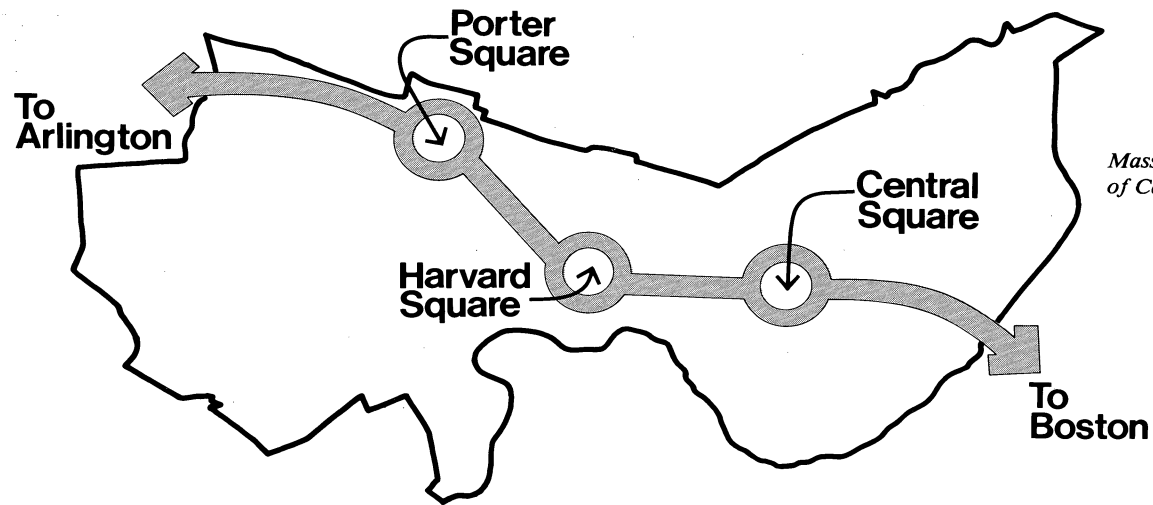
The CARD boundaries encompass the area commonly thought of as Central Square, which is focussed on the intersection of Massachusetts Avenue and Prospect Street, as well as the commercial areas adjoining the Square. These boundaries largely correspond to zoning boundaries for this area. Generally this includes one or two blocks north and south of Massachusetts Avenue, as shown on the accompanying plan. On the west, the CARD extends to Putnam Square, at the intersection of Massachusetts Avenue and Mt. Auburn Street. To the east, the CARD includes the area known as Lafayette Square, around the intersection of Massachusetts Avenue and Main Street, and continues up Main Street to Tech Square.



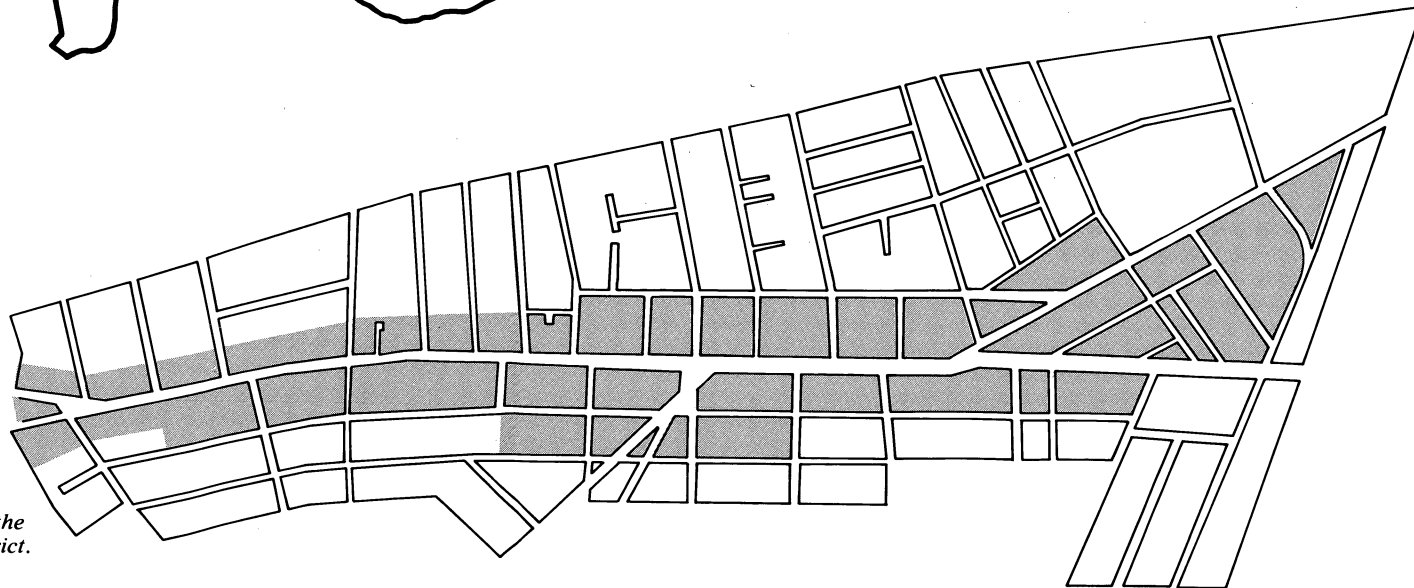
Intersection of Massachusetts Avenue and Prospect Street.

As shown below, the area is predominantly commercial, with a mix of institutions and residential uses.

Type of Use	Land Area	Percent of Total Area
Commercial	1,556,000 s.f.	50.0%
Parking & Open Space	609,000 s.f.	19.6%
Residential	576,000 s.f.	18.5%
Institutional	369,000 s.f.	11.9%
	<u>3,110,000 s.f.</u>	<u>100.0%</u>



Massachusetts Avenue runs the full length of Cambridge and connects three major retail centers.



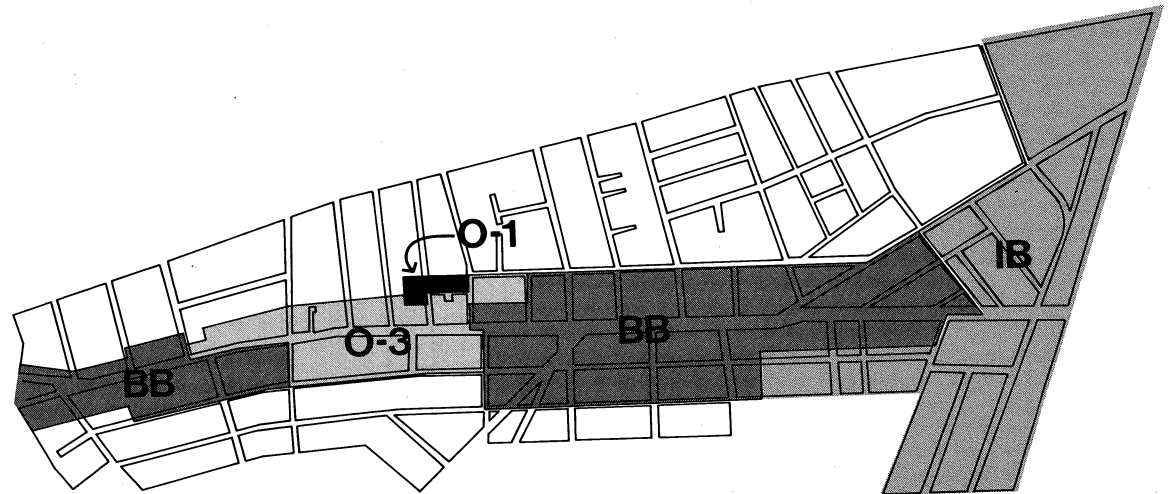
Gray shaded area represents the Commercial Area Revitalization District.

Boundaries within which incentives will be available

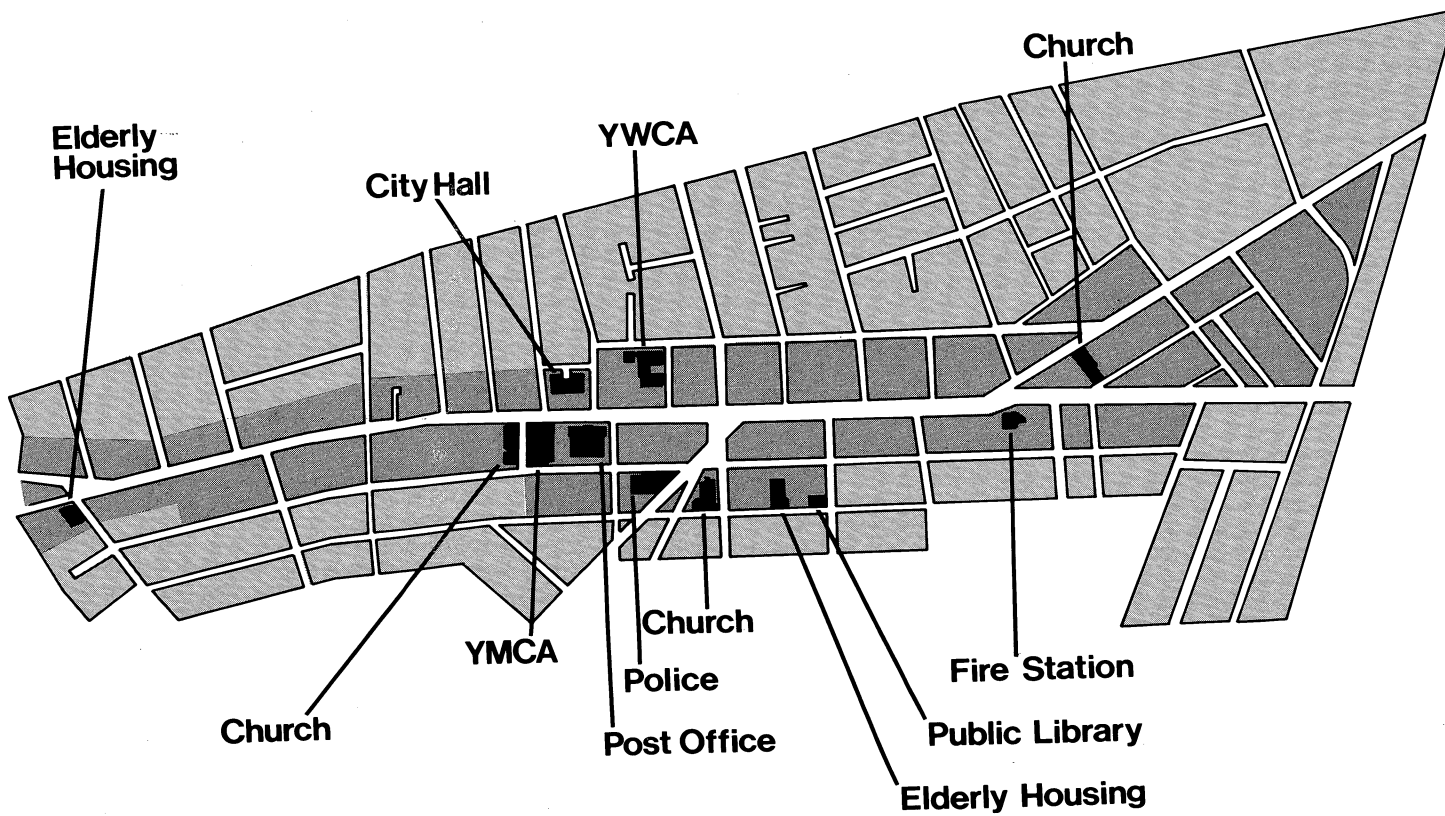
Within the boundaries of the CARD, there are several areas which should not be converted to commercial use. These are primarily institutional and residential uses, as shown on the accompanying plan. In particular, the use of public sites such as City Hall, the Post Office, the Fire Station and the Police Station cannot be changed. However, these parcels are included within the CARD district because they will be influenced by public improvements planned to complement private efforts for rehabilitation.

In general, the CARD boundary shown on the plan follows zoning district lines. In a few instances, zoning district lines were not followed so as to exclude predominantly residential blocks. On the west, the line begins at Remington Street, continues south to Banks Street, follows the zoning district line to Green Street, and drops south to Franklin Street at Bigelow. At Pearl Street, the line returns north to Green Street, continues east to Cross Street. Albany Street is the eastern boundary.

The northern boundary begins at Remington Street on the west and follows the zoning district boundary, which is about 200 feet north of Massachusetts Avenue. The boundary continues east along Bishop Allen Drive, follows School Street to Windsor, goes a block south to Main, and follows Main Street to join Albany Street.



Existing Zoning in the Central Square CARD: BB Business; O-3 Office; O-1 Office; IB Light and heavy industry.



Public and Institutional Buildings within the CARD Designation.

Statement of plan objectives

The Central Square CARD is a key element in the Central Square component of the Massachusetts Avenue Urban Design Project. This project creates a long-term strategy for coordinating public and private development.

Type of commercial development

The type of commercial development and re-development envisaged includes a predominance of office use in the early stages, followed by stronger retail as disposable income in the area continues to increase. In particular, people living in the Central Square area have expressed a strong desire for family-oriented shopping.

Prevention and reversal of decay

Because certain sections of Central Square are now in extremely poor condition, it is difficult to induce rehabilitation of adjacent areas. This is especially evident along the border between residential and commercial areas, such as Green Street or Bishop Allen Drive. A key objective of the revitalization strategy is to improve this transition between the neighborhoods and the commercial district.



Current land use in Central Square District.



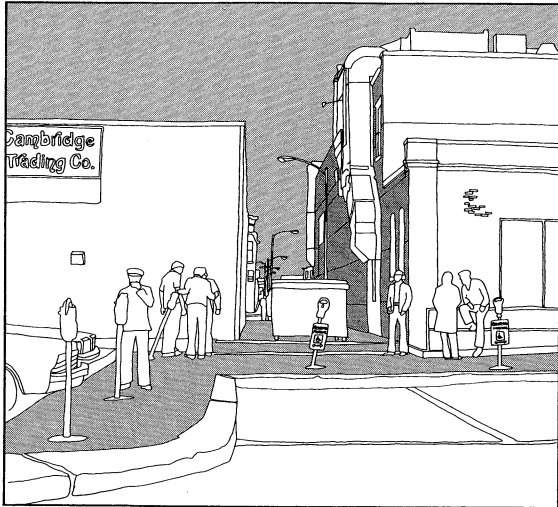
- COMMERCIAL
- INSTITUTIONAL
- PARKING & OPEN SPACE
- RESIDENTIAL

Reinforcement of existing commercial district

Central Square has served throughout the Twentieth Century as one of the most important commercial centers for Cambridge and, in particular, for the immediately adjacent areas (Cambridgeport, Riverside, Neighborhood 4, Mid-Cambridge, MIT). This historically essential district requires strengthening. At the same time, the abutting areas need protection from encroachment by the commercial uses. In some instances zoning allows intensive development in predominantly residential areas. For example, Business B Districts allow development up to three times the area of the site. Such problems can be addressed in the ongoing zoning review which is a part of the revitalization effort. In addition, urban design guidelines are being developed to insure that new commercial development in appropriate areas will be a better neighbor to residential areas than has often been the case in the past. Retail which serves family shopping needs will be strongly encouraged.



Neighborhoods adjacent to Central Square Development should be protected from commercial growth.



The alley connecting Massachusetts Avenue with a parking lot on Bishop Allen Drive is both an unsightly and uninviting passageway for shoppers and residents.



With proper lighting, new pavement, and landscaping, the alley will become a more pleasant and safe entry into Central Square.

Plan strategy

The Central Square CARD plan is complemented by the broader Massachusetts Avenue Urban Design Project now being developed by the Community Development Department. This project has as its long-term goal the revitalization of the entire Massachusetts Avenue corridor through coordination of a variety of public and private efforts. Because of its historic prominence as a commercial center, its central location, and its potential for significant redevelopment, Central Square is the key to the Massachusetts Avenue Urban Design Project.

Public improvements and facilities

Several public improvements have been provided in the area; further work is envisioned in conjunction with private efforts for rehabilitation. A public parking garage was constructed in 1972-3, at the same time as an adjacent elderly housing project. Landscaping and sidewalk upgrading were provided by the City in 1976. This work did not include the very center of the CARD area, partly because anticipated rapid transit expansion will require substantial reconstruction of streets and sidewalks in the area.

The Central Square Transit Station will be lengthened to allow longer trains to use the



Buses laying-over on Massachusetts Avenue.

facility. This work will require excavation of Massachusetts Avenue in the Central Square area. Although funds are limited, every effort is being made to insure that the surface level will be reconstructed as a better environment for the intense activity that now occurs in Central Square. Sidewalks and open space will be improved for pedestrians. Heavy truck traffic passes through the area. A few years ago, a truck route was established to remove traffic from residential streets. This truck route will remain, but some reconsideration will be given to truck flow in Central Square itself.

Several bus lines pass through the Square; buses lay-over on the Avenue, collecting passengers before beginning their trips. This pattern of lay-over and stopping will be

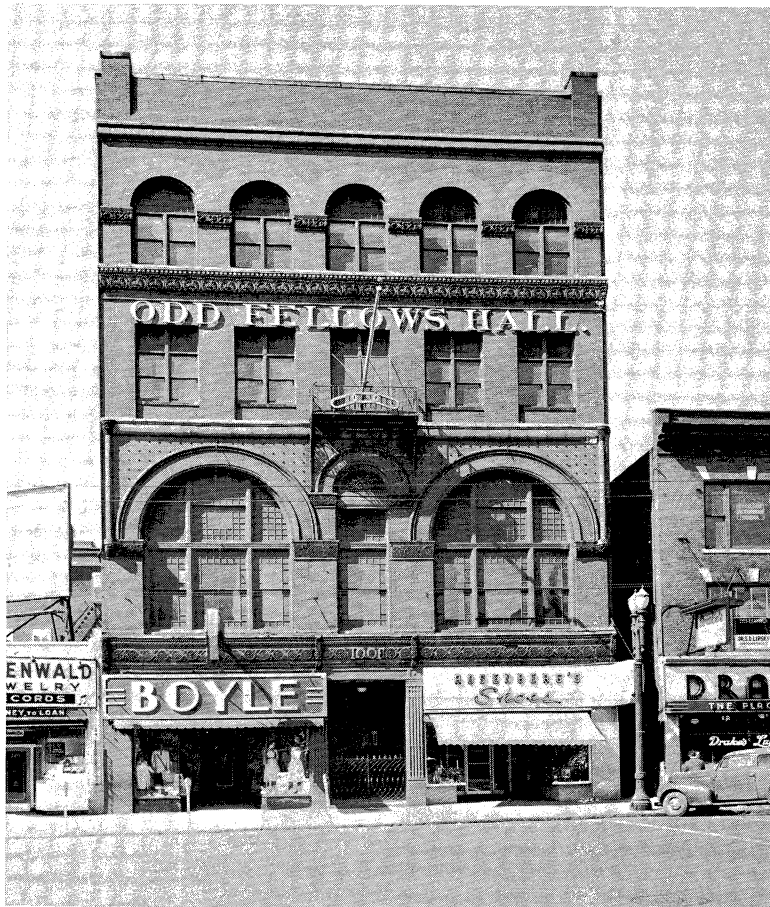
reconsidered in conjunction with transit plans. In addition, bus shelters will be improved and expanded.

Land use and design controls

In general the thrust of the planning effort will be to stimulate development and to coordinate changes with existing commercial, institutional, and residential uses. In certain specific cases, more restrictive controls may be needed. For example, residential areas north and south of the Avenue may be down-zoned to eliminate or avoid undesirable impacts such as traffic, noise, parking, service activity, and aesthetic problems resulting from dense commercial areas adjacent to residences.

Although both public and private signs do need improvement, it may not be necessary to modify the existing zoning ordinance in regard to signage. The urban design project will set standards for facade improvements, including signage, and the Community Development Department will work on a block-by-block basis to coordinate these improvements.

The Cambridge Historical Commission is now considering measures to safeguard important older buildings in the area. A small number of buildings in Central Square



Old Fellows Hall, Middle 1900's.



Manhattan Market, circa 1907. Site of existing Purity Supreme Supermarket.



Sidewalks and station entries will be improved as part of the MBTA's Station Modernization Program.

are of National Register significance. However, many structures do provide a sense of historical continuity and are worthy of preservation as good examples of early Twentieth Century mercantile architecture.

As has been the case in other Cambridge urban design areas, design review will be an important part of the revitalization strategy. As the local implementing agency for the CARD, the Community Development Department will work closely with developers to insure that changes are positive and compatible with the overall plan for the area.

Some degree of new construction clearly is needed to improve the image of this declining commercial center. Since the office market is strong in Cambridge, as well as throughout the greater Boston area, some new office development appears feasible. It would also be desirable since increasing the stable daytime population of the area would increase the number of clients for goods and services. In addition, office workers would enhance the stability of the area's image.

Later, as old structures are reused and as some new office space is created, the market may be strong enough to attract larger anchor stores.

General character of development/redevelopment

Central Square provides opportunities both for new development on several vacant or blighted sites and for rehabilitation of many deteriorated, but basically solid, older structures. The image for Central Square is made up of carefully-sited new construction co-existing with substantially rehabilitated older structures.

Relative order of magnitude: rehab and new

The demand for additional prime office space may total nearly 750,000 square feet. Within the CARD boundaries are a few commercial properties which, if rehabilitated, could provide 150,000 square feet of prime space. The balance of the demand would probably require new construction on some of the available sites now either vacant or occupied by blighted structures.

Emphasis on type of upgrading

The revitalization project will encourage improvement and expansion of existing business, and attraction of new retail establishments. Many members of the active

merchants' association have expressed interest in expansion; others have fears that their businesses will fail. To the extent possible, the revitalization effort will assist in expansion of existing businesses and will support those which can take advantage of public loan programs.

Federal/State financial incentives

An important task of the ongoing Massachusetts Avenue Urban Design Project is the identification of financial incentives appropriate for application in the Central Square revitalization work. Economic specialists on the Community Development Department staff meet frequently with interested developers, with private financial institutions, and with public program officers in an effort to match project needs with potential funding sources. In particular, the possibility of securing an Urban Development Action Grant (UDAG) to match private commitments in the area is under discussion. The UDAG funding process is sponsored by the Federal Department of Housing and Urban Development.

Local financial commitment

The Community Development Department

has earmarked \$100,000 of Community Development Block Grant funds for building improvements. This funding will be available to merchants and landlords under a building program now being structured. A \$15,000 matching grant from the National Endowment of the Arts has been used to hire a consultant who is producing a booklet explaining good practices for improvement of facades, signage, including art, etc.

Complementarity with downtown development

The CARD does not consist of any areas outside Cambridge's central business district since, as noted earlier, Cambridge's business district is not "central" in a traditional sense. Rather, it stretches along major corridors in the city, with Massachusetts Avenue and adjacent areas having the clearest definition as a district.

Conformance with other local plans

There are no pre-existing plans which apply to the Central Square CARD. This CARD is a first major step in the creation of an urban design plan for the area.



Central Square, 1980.

Citizen participation provision

Various mechanisms are already in place for securing citizen participation and the involvement of the local business community in the implementation of the CARD Plan. The Community Development Department meets regularly with groups throughout the City to discuss development issues. Meetings with concerned groups will be arranged as appropriate during implementation of the CARD Plan. An important forum for consideration of City plans is the Planning Board, whose staff is the Community Development Department. In particular, any changes to zoning in the CARD must be reviewed in the public hearings of the Board.

The Central Square Association, which is the primary merchant group concerned with the CARD, actually laid the groundwork for the CARD by conducting business surveys and by pointing out the need for coordinated development in the area. The Chamber of Commerce works closely with this group; both support the CARD Plan and will be involved in helping to implement the Plan.

Local implementing agency

The Community Development Department will oversee implementation of the Central Square CARD plan. The Department will work to insure that development through the CARD process is compatible with all community goals for revitalization.



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
Tel. 498-9011

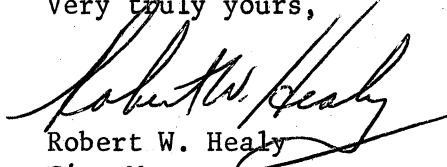
EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

October 15, 1984

To the Honorable, the City Council:

Enclosed please find copy of a communication from Kathy A. Spiegelman, Assistant City Manager for Community Development, providing additional information and background on the Central Square CARD for the public hearing set for October 15th.

Very truly yours,


Robert W. Healy
City Manager

RWH/mbf
Enc.

Agenda Item No. 6

5-630

Re: additional information for the public hearing of October 15, 1984 relative to the Central Square CARD.

10/15/84

Referred to the

Hearing at 7:01

this date

In City Council,

October 15, 1984